INTOUCH INSIGHT LTD.

DATED: NOVEMBER 21, 2019

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019 AND 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

The following Management Discussion and Analysis ("MD&A") of Intouch Insight Ltd. ("Intouch" or the "Company") was prepared by Management and approved by the Board of Directors of the Company (the "Board") as of November 21, 2019.

This MD&A is a discussion and analysis of the financial condition and results of operations of Intouch for the three months ended September 30, 2019 and 2018 ("Q3 2019" and "Q3 2018", respectively) and the nine months ended September 30, 2019 and 2018 ("YTD 2019" and "YTD 2018", respectively . This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and accompanying notes for the three and nine months ended September 30, 2019 and 2018, and with the audited consolidated financial statements for the year ended December 31, 2018. All Amounts in the MD&A are stated in Canadian dollars, unless otherwise indicated. The Company's financial statements are presented in accordance with the International Financial Reporting Standards ("IFRS").

The effective date of this MD&A is November 21, 2019, the date it was approved by the Board.

FORWARD-LOOKING STATEMENTS

The following MD&A contains forward-looking statements and information (as defined under applicable securities laws). These statements relate to future events or future performance including comments with respect to the Company's objectives and priorities for 2019 and beyond, and strategies or further actions with respect to the Company, the Company's business operations, financial performance and condition. Forward-looking statements reflect management's current beliefs and are based on information currently available to management, and by their nature involve a number of risks and uncertainties. Forward-looking statements include those identified by the expressions "will", "may", "should", "continue", "anticipate", "believe", "plan", "estimate", "project", "expect", "intend" and similar expressions to the extent that they relate to the Company or its management. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. Such factors include, without limitation, the various factors set forth in the MD&A and as discussed in public disclosure documents filed with Canadian regulatory authorities. Forward-looking statements are provided to assist external stakeholders in understanding management's expectations and plans relating to the future as of the date of this MD&A and may not be appropriate for other purposes. Forward-looking statements are made as of the date of this MD&A and Intouch disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers should not place undue reliance on the Company's forward-looking statements.

OVERVIEW OF THE BUSINESS

Intouch's vision is to provide perfect information, instantly. Our mission is to design, build and deliver solutions that collect data for customers to provide information that improves business outcomes.

Intouch develops managed mobile software applications and software-as-a-service (SaaS) platforms, and delivers services for private businesses, governments and regulators. These stakeholders need mobile, real-time information about leads, customer feedback, operational compliance, employee feedback and new product analysis. Intouch has developed comprehensive software platforms including IntouchCapture™, IntouchCheck™, IntouchSurvey™, and most recently a customer experience management platform, LiaCX™. These products facilitate the rapid development of data collection programs including event lead capture, customer satisfaction surveys, and mobile forms, checklist and audits. All products include real-time, online reporting and advanced analytics to help clients focus their time on the most strategic projects. Intouch also uses its technology to enable its data collection services including mystery shopping, third party audit and customer experience measurement programs.

IntouchCapture is a software application that provides event marketing solutions including analytics, logistics and support. With thousands of event days and millions of customer interactions every year, IntouchCapture is used by Fortune 1000 brands, agencies, government and military across North America. The Company's complete software stack, stocked hardware warehouse and technical engineers bring big data, analytics, mobile-first design and data collection expertise to our customers.

IntouchCheck is a powerful mobile application that helps organizations easily measure their operational standards internally and implement changes to drive lasting business improvements. The software allows businesses to create unlimited mobile forms and checklists in order to easily collect and aggregate data from all locations. Key product features include the ability to add photos and signatures to forms and issue management automation. The issue management functionality allows users to flag issues, automatically alert key stakeholders, assign issues and set due dates, and track issues through to resolution. IntouchCheck also includes real-time reporting on performance and the ability to view performance by location, region, date and more.

IntouchSurvey is a software application that allows businesses to perform web-based surveys to collect feedback and view results using robust, real-time dashboards. The most common application of this product is as a customer satisfaction survey tool. IntouchSurvey has an easy-to-use drag and drop survey builder, offers a wide range of question types, and includes more complex functionality like skip logic and conditional questions. The software also includes case management functionality, which allows key stakeholders to automatically be alerted of a low survey score or negative response to a specific question. The case can be assigned to another employee with a due date, and the stakeholder can view the outcome of the case.

LiaCX is a complete, SaaS-based solution that helps customer experience ("CX") professionals make targeted improvements to accelerate the delivery of a world class customer experience. "Lia" stands for Listen, Interpret & Act representing the closed loop capabilities of the software. The platform centralizes all channels of feedback, operational and back-office system data within a centralized platform and presents it in a logical manner for ease of interpretation and organizational alignment. Intelligent and predictive analytics, and task completion accountability help mobilize customer-facing staff to close the loop on customer experience problems and drive better business results.

FINANCIAL PERFORMANCE

Financial Highlights	**Three months ended September 30**	
	2019	**2018**
Revenue	$ 4,908,852	$ 3,914,961
Cost of services	2,406,090	2,008,407
Gross Margin	2,502,762	1,906,554
Gross Margin %	*51.0%*	*48.7%*
Operating Expenses	2,355,187	2,491,511
Earnings (loss) from operating activities	147,575	(584,957)
Other earnings (expense)	(11,009)	(5,007)
Net earnings (loss) and comprehensive income (loss)	136,566	(589,964)
Adjusted EBITDA[1]	$ 397,789	$ (367,978)

1 Adjusted EBITDA is a non-IFRS financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges

Balance Sheet - Highlights		**September 30, 2019**	**December 31, 2018**
Cash and cash equivalents	$	138,569	$ 242,865
Working Capital		2,357,036	1,896,727
Total Assets		6,313,733	4,915,921
Total Liabilities		2,100,937	910,006
Share capital and contribued surplus		6,945,947	6,820,113
Accumulated deficit		(2,733,151)	(2,814,198)
Shares issued and outstanding	#	22,456,811	22,146,811

Highlights from the three months ended September 30, 2019 compared to the same period in 2018:

- Revenue of $4,908,852 is 25% higher than the same quarter in the prior year due to organic growth in the technology enabled recurring services.
- Gross margin as a percentage of revenue was 51.0%, compared to 48.7% in the comparative period. The increase is a result of the change in mix of revenues.
- Earnings from operations was $147,575 compared to a loss of $584,957 due to both growth in revenues and ongoing cost containment.

- Adjusted EBITDA (a non-IFRS measure) was $397,789 compared to a loss of $367,978 in the same period of 2018.
- The stronger operating results has led to an increase in working capital of $460,309 since the start of 2019.

Non-IFRS Financial Measures

Adjusted EBITDA is a non-IFRS financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges.

Management believes that Adjusted EBITDA is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. We calculate Adjusted EBITDA by adding back to net earnings (loss) before taxes the finance costs, amortization expense, change in the fair value of contingent payments and stock-based compensation expenses. Adjusted EBITDA is also used by investors and analysts for the purpose of valuing an issuer. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted EBITDA should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA differently.

OUTLOOK

Management is pleased to report 25% growth in revenue in Q3 and 28% revenue growth YTD, resulting in net earnings and positive EBITDA for the third consecutive quarter in 2019. Based on the YTD results and the strength of the underlying business, including its new technologies, it is expected that Intouch revenue for 2019 will be $19M. With the October addition of a new Executive Vice President responsible for Sales, Marketing and Product Management the company has started to increase its investment toward the sales and marketing efforts around its software offerings. The investments will start in Q4 and are expected to increase through 2020 in line with the available cash flow from the business. Investment.

The products available through Intouch are feature rich and competitive in the marketplace; some of which include functionality for which the company has filed for patent protection. The company continues to invest in to its software products to ensure that it not only remains competitive but has an advantage within its target markets. The company has also filed for an additional provisional patent for functionality expected to be built in to the LiaCX software offering in 2020.

Management believes that as the market becomes familiar with their latest products that software sales growth will start to outpace the growth of their recurring services revenue; which remains healthy. The company will continue to sharpen its focus on delivering products and services in the CEM space and management expects to grow through its existing customer base as well as new customer acquisition. Intouch is maintaining its recent focus on Artificial Intelligence ("AI") and plans to be the leading company providing AI in the customer experience management software industry.

Management continues to look to add acquisitions in addition to its organic growth as they believe that adding customers quickly will provide more opportunities for the company to sell its SaaS based product lines.

RESULTS OF OPERATIONS

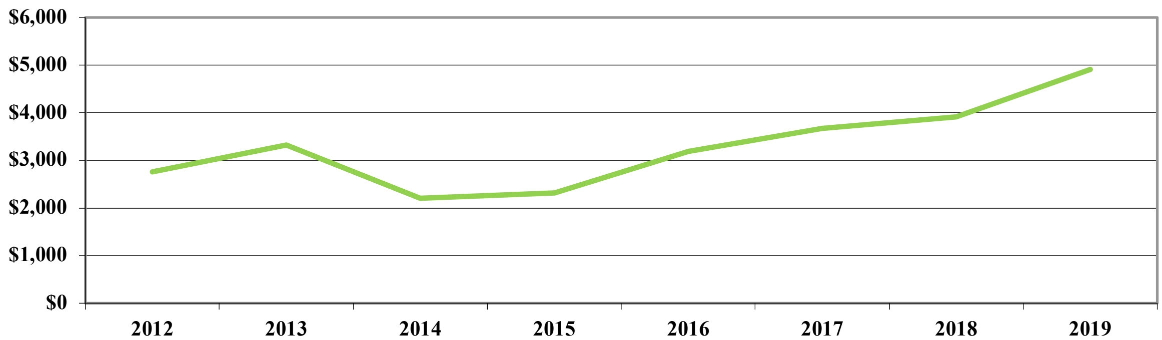
a) Revenue

The Company receives revenue from software applications and related services to its customers in a market referred to as data collection and reporting services.

The Company's strategy is to focus on software applications, and long-term services contracts and as a result tracks its recurring revenue from both software and services. The following chart shows the breakdown of recurring software revenue as well as recurring and non-recurring services revenue for the three and nine months ended September 2019 and 2018.

	Three months ended September 30			Nine months ended September 30		
	2019	2018	% change	2019	2018	% change
Recurring software revenue	$ 657,256	$ 664,344	-1%	$ 1,994,487	$ 1,842,575	8%
Recurring services revenue	$ 4,231,595	$ 3,232,127	31%	$ 12,428,840	$ 9,426,307	32%
Non-recurring services revenue	$ 20,001	$ 18,490	8%	$ 111,227	$ 75,254	48%
Total revenue	$ 4,908,852	$ 3,914,961	25%	$ 14,534,554	$ 11,344,136	28%

Yearly Q3 Revenue (,000s)



The Company's third quarter 2019 revenues were $4,908,852, an increase of 25% compared to third quarter 2018 revenues of $3,914,961. For the nine months ended September 30, 2019, revenues increased 28% from $11,344,136 in 2018 to $14,534,554 in 2019. The recurring revenue increased from growth within current customers as well as from new customer growth. Services revenue growth increased 31% from growth within current customers as well as from new customer growth. Non-recurring services revenue, which consists of one-time set-up fees and technical services, increased from $18,490 in Q3 2018 to $20,001 in Q3 2019.

The Company also measures its revenue geographically. The following chart shows the breakdown of revenues from Canada and the U.S.

	Three months ended September 30						Nine months ended September 30					
		2019	%		2018	%		2019	%		2018	%
Canada	$	1,764,807	36%	$	1,611,851	41%	$	5,029,516	35%	$	4,770,316	42%
U.S.	$	3,144,045	64%	$	2,303,110	59%	$	9,505,038	65%	$	6,573,820	58%
Total revenue	$	4,908,852	100%	$	3,914,961	100%	$	14,534,554	100%	$	11,344,136	100%

Revenues generated from U.S. clients in Q3 2019 were 37% higher (YTD 2019 – 45% higher) compared to Q3 2018. Canadian revenues increased 9% in Q3 2019 (YTD 2019 – 5% higher). The Company's new largest U.S. based client, who purchases compliance audit services, provided revenues of $704,179 in Q3 2019 (YTD - $1,962,536) compared to nil in 2018. The Company's second largest U.S. based client, an automobile manufacturer, provided revenue of $587,028, a decrease of $26,175 from the $613,203 in Q3 2018 (YTD 2019 revenue increase of 4% or $76,670). Revenue from this client, although stable in Q3 2019, may be affected by the frequency and size of the projects as well as any fluctuations in foreign exchange rates for the remainder of this year.

Management expects fluctuations in quarter-over-quarter operating results. Overall, management expects 2019 revenues to be significantly higher than 2018 revenues coming in at over $18M. The Company was successful in securing existing clients as well as attracting new clients and continues to focus more on its sales and marketing efforts behind its new product suite.

Revenue recognition: The Company follows International Financial Reporting Standards in recognizing its revenue from operations. For further information on revenue recognition, refer to Note 2 in the audited consolidated financial statements dated December 31, 2017.

b) Cost of Services and Gross Margin

The Company's cost of services includes all direct costs incurred in the provision of its products and services. These costs include items such as expenses related to staff and independent contractors, delivery charges, communication costs (as each mobile unit or other device is equipped with cellular and/or wireless technology in order to transmit results or program updates live in the field) and amortization associated to the data collection units.

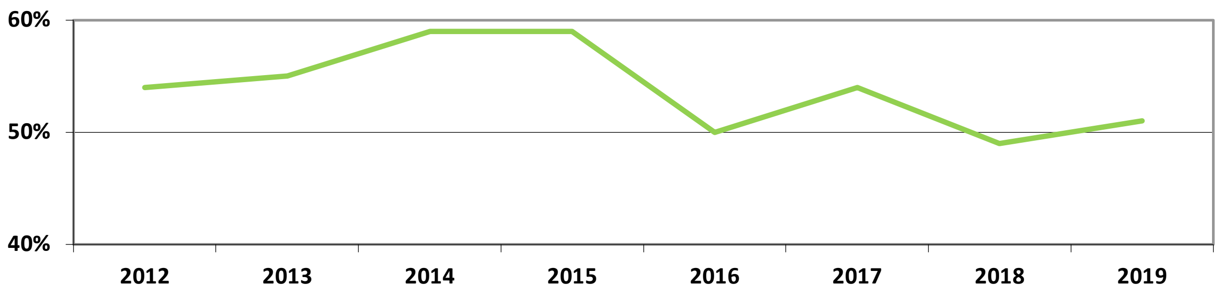
	Three months ended September 30					Nine months ended September 30				
		2019		2018	% change		2019		2018	% change
Staff/contractor expense	$	1,947,519	$	1,593,003	22%	$	5,700,971	$	4,401,536	30%
Delivery/communication costs	$	266,347	$	285,685	-7%	$	813,341	$	696,187	17%
Amortization	$	52,343	$	67,381	-22%	$	157,029	$	196,055	-20%
Other	$	139,881	$	62,338	124%	$	304,020	$	226,779	34%
Cost of services	$	2,406,090	$	2,008,407	20%	$	6,975,361	$	5,520,557	26%

Consolidated cost of services increased 20% from $2,008,407 in Q3 2018 (YTD 2018 - $5,520,557) to $2,406,090 in Q3 2019 (YTD 2018 - $6,975,361). Staff and contractor expense increased in line with the revenue growth in the recurring services business units.

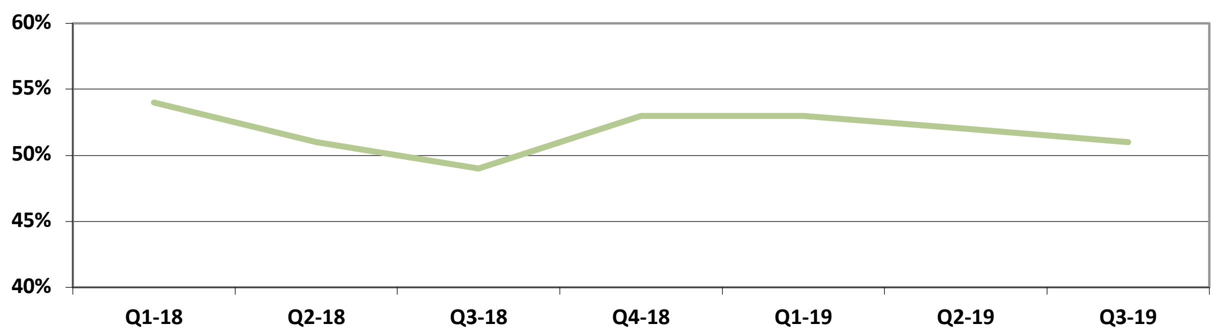
Delivery and communication costs decreased 7% in the quarter compared to the prior year, while the year to date has also increased in line with the revenue growth. Amortization decreased due to the aging of the technology used in the field as data collection devices. Other costs have decreased 124% in Q3 2019 compared to Q3 2018 (34% 2019 YTD compared to 2018) due to the increase in cost of direct selling expenses related to securing new clients and the growth in existing client revenues.

The consolidated gross margin increased by $596,208 or 31% from $1,906,554 in Q3 2018 to $2,502,762 in Q3 2019. The margin percentage of 51% in Q3 2019 is the lowest quarter of the year which is still tracking to last year's number of 51%. The percentage for Q3 2019 is higher than the 48.7% obtained in Q3 2018 and is consistent with Management's expectations of 48 to 52%. Management expects gross margin percentage to improve in the near future and then increase again to reflect increasing sales of its software-based solutions.

Yearly Q3 Gross Margin as a percentage of sales



Quarterly gross margin as a percentage of revenue

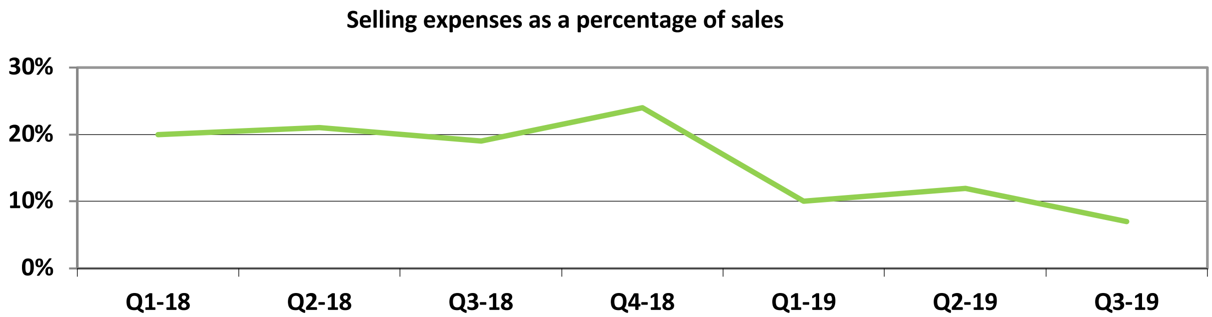


c) Selling

The Company includes marketing, travel, salaries and benefits in selling expenses and are broken down as follows:

	Three months ended September 30			Nine months ended September 30		
	2019	2018	% change	2019	2018	% change
Marketing expense	$ 130,702	$ 315,469	-59%	$ 582,627	$ 875,944	-33%
Travel expense	$ 71,242	$ 81,883	-13%	$ 232,972	$ 270,784	-14%
Salaries and benefits expense	$ 154,431	$ 353,661	-56%	$ 589,473	$ 1,129,960	-48%
Selling expenses	$ 356,375	$ 751,013	-53%	$ 1,405,072	$ 2,276,688	-38%

Selling expenses decreased by 53% from $751,013 in Q3 2018 to $356,375 in Q3 2019. Year-to-date 2019, selling expenses decreased as well to $1,405,072. Marketing initiatives decreased 59% in Q3 2018 and decreased 33% YTD. Travel decreased 13% quarter over quarter and 14% YTD. The Company expects marketing and travel expense to remain stable for the balance of 2019 as it continues to refocus marketing efforts. Salaries and benefits expense for Q3 2019 are 56% lower and year-to-date 2019 is 48% lower than in the same periods of 2018, however, the Company expects these expenses to increase for the remainder of the year as investment is increased in sales and marketing. Management continues to watch the marketplace very closely and will aggressively react to pursue new business opportunities.



d) General and Administrative

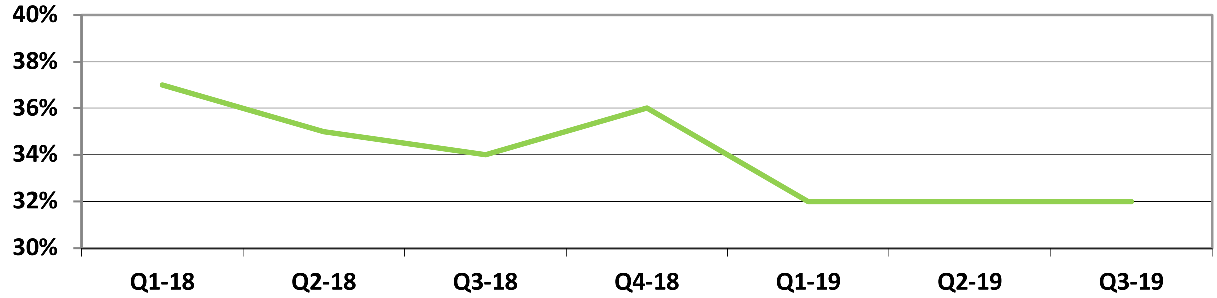
	Three months ended September 30					Nine months ended September 30				
		2019		2018	% change		2019		2018	% change
Corporate administration	$	233,868	$	300,505	-22%	$	687,560	$	942,925	-27%
Consultant fees	$	44,184	$	31,813	39%	$	141,665	$	53,879	163%
Professional fees	$	65,798	$	19,367	240%	$	240,160	$	153,369	57%
Listing fees	$	38,178	$	22,919	67%	$	109,932	$	94,983	16%
Salaries and benefits	$	1,047,690	$	798,973	31%	$	2,853,002	$	2,409,633	18%
Loss (gain) on disposal of property and equipment	$	(4,734)	$	(1,928)		$	(5,707)	$	(20,839)	-73%
Loss (gain) on foreign exchange	$	1,045	$	30,907	-97%	$	102,124	$	(17,597)	-680%
Bad debt expense (recovery)	$	(16,998)	$	-		$	-	$	-	
Amortization expense	$	182,266	$	133,809	36%	$	528,988	$	400,292	32%
Total general and administrative	$	1,591,297	$	1,336,365	19%	$	4,657,724	$	4,016,645	16%

General and administrative expenses increased by 19% from Q3 2018 to Q3 2019. Year-to-date, the increase in 2019 amounts to 16% compared to 2018. Management expects general and administrative expenses to remain at these levels for the remainder of 2019. The increase is due additional staff and payments related to the overall growth of corporate revenue. Stock-based compensation added $15,605 in non-cash salary expense to the Q3 2019 (YTD 2019 - $46,734) general and administrative expense compared to $15,789 for Q3 2018 (YTD 2018 - $42,910). Management anticipates that share-based compensation will increase slightly from Q3 2019 and will fluctuate based on issuances of common share options.

The Company recorded a loss on U.S. exchange of $1,045 in Q3 2018 (YTD 2019 – loss of $102,124) compared to a loss of $30,907 in Q3 2018 (YTD 2018 – gain of $17,597). Any further gains or losses will be dependent on the fluctuation of the Canadian dollar.

Changes in the composition of general and admin expenses relate to the adoption of IFRS 16, Leases. Corporate administration expenses no longer include property rent expenses, resulting in a decrease of 22% in Q3 2019 compared to Q3 2018, and a decrease of 27% YTD in 2019 compared to 2018. Amortization associated with general and administrative expenses was $182,266 for Q3 2019 compared to $133,809 in Q3 2018. Amortization increased due to the right of use assets acquired January 1, 2019 with the adoption of IFRS 16, Leases. Right of use asset amortization of $67,563 was recorded in Q3 2019 within the $182,266 (YTD 2019 - $185,453 within the $528,988) compared to nil in Q3 2018 (YTD 2018 – nil). Amortization of intangible assets of $86,843 was included in the $182,266 for Q3 2019 as a result of business acquisitions. Q3 2018 amortization of intangible assets was $105,717. Management expects that the amortization of intangible assets will continue at a similar rate for the remainder of 2019.

General and administrative expenses as a percentage of sales

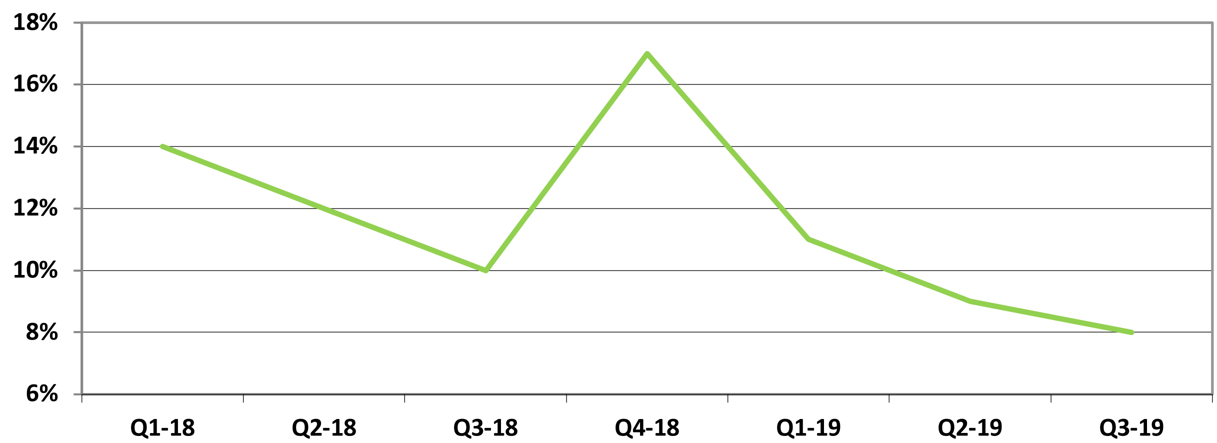


e) Product Development

	Three months ended September 30		% change	Nine months ended September 30		% change
	2018	2018		2018	2018	
Salaries and benefits	$ 407,515	$ 530,835	-23%	$ 1,327,655	$ 1,611,337	-18%
Government agency contribution	$ -	$ (126,702)		$ -	$ (215,900)	-100%
Product development expenses	$ 407,515	$ 404,133	1%	$ 1,327,655	$ 1,395,437	-5%

Net product development expenses were consistent in Q3 from 2018 to 2019 as the increased salaries in 2018 were offset by government contributions. Salaries and benefits expense decreased 23% in Q3 2019 (YTD 2019 – decreased 18%). In 2018 the Company received government contributions to assist in developing additional functionality in the LiaCX software. The total government contribution committed to Intouch was $220,000. Product development costs are expected to continue at the same rate for Q4 2019. The Company will continue to seek government funding for ongoing development as opportunities arise.

Product Development expenses as a percentage of sales



f) Earnings (loss) from operating activities

Earnings from operating activities for Q3 2019 was $147,545, an increase of $732,532 compared to a loss of 584,957 in Q3 2018. Year to date 2019, the earnings from operating activities was $168,741, an increase of $2,033,932 compared to a loss of $1,865,191 in the same period 2018. The increase is attributable to the focus on returning the business to profitability to ensure its self-sustainability on a cash flow basis. The Company has focused on growing revenues from its core service offering while taking advantage of its technological differentiation in the marketplace. Further quarterly losses are possible for Q4 2019, as revenues traditionally decline in the second part of the year.

g) Non-operating earnings (expenses)

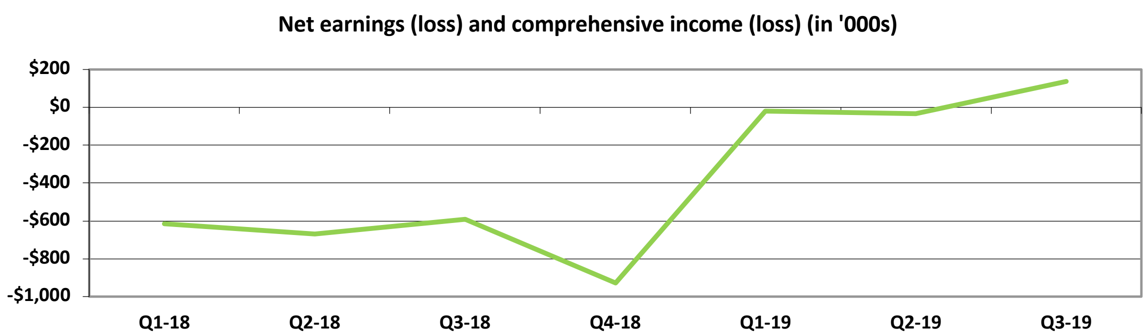
Finance costs for Q3 2019 were $11,009 (YTD 2018 - $53,278). In Q3 2018, finance costs were $5,007 (YTD 2018 - $8,865). Finance costs increased as a result of interest paid on the Company's line of credit used to meet its cashflow requirements as well as the interest on the capital leases recognized through the adoption of IFRS 16, Leases. Interest expense on capital leases was $7,708 in Q3, 2019 (YTD - $25,304) compared to nil in 2018. The Company expects finance costs to to be ongoing in 2019 as the Company continues its return to profitability and will continue to make use of leased office spaces.

h) Income taxes

Income tax expense (recovery) is recognized at each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year should the estimate of the annual income tax rate change. Future income taxes of nil were recorded in Q3, 2019 (YTD - $34,417) compared to nil in 2018.

j) Net earnings (loss) and comprehensive income (loss)

The Company reported net earnings and comprehensive income of $136,566 for Q3 2019 (YTD 2019 – income of $81,046) compared to a loss of $589,964 (YTD 2018 – loss of $1,874,056) for the same period last year. Basic and diluted earnings (loss) per share for Q3 2019 were $0.01 compared to $(0.03) for Q3 2018. Year-to-date earnings per share for 2019 was $0.00 while loss per share for 2018 was $(0.09).



k) Cash Flows

The Company's cash position was $138,569 at September 30, 2019 compared to $242,865 at December 31, 2018 and $880,187 at September 30, 2018.

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Cash flows from operating activities before changes in working capital	$ 393,055	$ (369,697)	$ 895,784	$ (1,280,666)
Changes in working capital	$ (521,230)	$ (30,975)	$ (671,864)	$ (862,158)
Cash flows from operating activities	$ (128,175)	$ (400,672)	$ 223,920	$ (2,142,824)
Cash flows from financing activities	$ (112,944)	$ (108,739)	$ 529,313	$ (255,807)
Cash flows used in investing activities	$ (6,679)	$ (3,833)	$ (857,529)	$ (147,580)
Increase (decrease) in cash	$ (247,798)	$ (513,244)	$ (104,296)	$ (2,546,211)

Operating activities:

Cash outflows from operating activities for the quarter ended September 30, 2019 were $128,175 (YTD 2019 inflow of $223,920) compared to an outflow of $400,672 in Q3 2018 (YTD 2018 outflow - $2,142,824). This quarter's decrease was mostly due to the increase in accounts receivable due to a payment delay from a large customer of $965,015 which occurred in the week after the end of the quarter. Accounts receivable were $3,802,3736 at September 30, 2019, compared to $3,250,725 at June 30, 2019 and $2,390,542 at December 31, 2018. Accounts payable and contract liabilities increased from $754,922 at December 31, 2018, to $1,442,362 at September 30, 20198. The Company expects fluctuations in working capital and considers them in line with the normal flows of the business.

Financing activities:

Share capital of $3,300 was issued during Q3 2019, (YTD 2018 - $79,100) resulting from the exercise of stock options ($1,066 in Q3 2018 and $77,455 YTD 2018). The company recognized $814,736 of capital leases with adoption of IFRS 16, Leases, and paid $62,939 towards lease obligations in in Q3, 2019 (YTD - $184,358), the Company had no capital leases recorded in 2018.The Company repaid long-term debt of $42,296 in Q3 2019 (YTD 2019 - $126,887) compared to $104,796 in Q3 2018 (YTD 2018 - $324,408). Financing costs paid during Q3 2019 were $11,009 (YTD 2019 - $53,278) compared to $5,009 in Q3 2018 (YTD 2018 - $8,865).

Investing activities:

During the third quarter 2019, the Company purchased property and equipment for $13,730 (YTD 2019 - $866,502) compared to $5,760 during Q3 2018 (YTD 2018 - $174,203). The 2019 amount includes initial recognition of right of use assets of $837,386 with the adoption of IFRS 16. Year to date 2019 proceeds of $8,973 (Q3 2019 – 7,051) were recorded on the disposal of property and equipment compared to $26,623 YTD in Q3 2018 (Q3 2018 - $1,927).

I) Liquidity and Capital Resources

Working capital was $2,357,036 as at September 30, 2019 with a current ratio of 2.38:1 compared to $1,896,727 as at December 31, 2017 and $2,473,744 as at September 30, 2018. The table below shows other balance sheet accounts compared to previous year including the percentage change:

		As at Sep 30 2019		As at Dec 31 2018	% change
Current portion of long-term debt	$	28,197	$	155,084	-82%
Contract liabilities	$	434,742	$	135,712	220%
Trade and other liabilities	$	199,081	$	619,210	-68%
Current portion of obligations under capital lease	$	234,147	$	-	100%
Obligations under capital lease	$	396,231	$	-	100%

Debt to equity increased from 0.23 as at December 31, 2018 to 0.50 at September 30, 2019. The increase in the ratio is mostly due to the recognition of the capital leases and the increase in contract liabilities.

The Company has credit facilities that include a $2,100,000 demand operating loan. The Company had cash and cash equivalents in the bank as at September 30, 2019 of $138,569 and good quality accounts receivable of over $3,800,000. Management believes that the Company currently has sufficient cash resources to continue to finance its working capital requirements. Risks include the ability of the Company to produce cash flows through revenues to meet our obligations and the continued support from our debt lenders. In the past and up to the midpoint of 2017, the Company targeted year over year revenue increases with positive increases in earnings before interest, tax and amortization ("EBITDA"). With the launch of the new CEM SaaS product, LiaCX now complete, the company has returned to positive EBITDA effective Q1 2019.

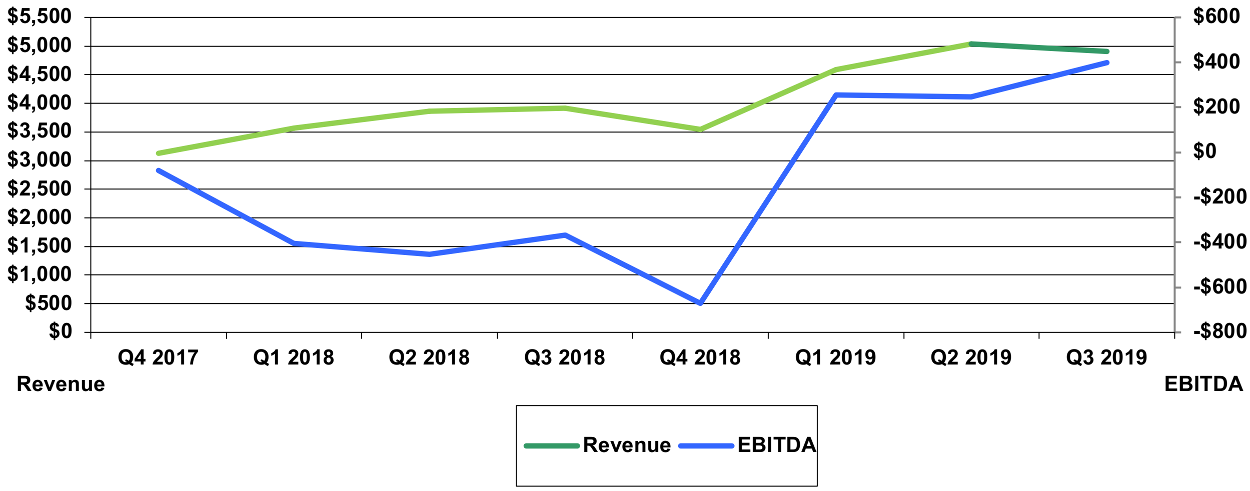
Review of quarterly operating results (,000s)

	In accordance with IFRS							
	2019			2018				2017
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**$ 4,909**	**$ 5,037**	**$ 4,588**	**$ 3,544**	**$ 3,915**	**$ 3,862**	**$ 3,567**	**$ 3,127**
Cost of services	2,406	2,401	2,168	1,653	2,008	1,885	1,625	1,520
Gross profit	2,503	2,636	2,420	1,891	1,907	1,977	1,942	1,607
Total operating expenses	2,355	2,648	2,388	2,745	2,492	2,646	2,553	2,309
Earnings (loss) from operating activities	**$ 148**	**$ (12)**	**$ 33**	**$ (854)**	**$ (585)**	**$ (669)**	**$ (611)**	**$ (702)**
Finance costs	-11	-23	-19	-3	(5)	(1)	(4)	(26)
Net earnings (loss) before income taxes	**$ 137**	**$ (35)**	**$ 14**	**$ (857)**	**$ (590)**	**$ (670)**	**$ (615)**	**$ (728)**
Calculation of adjusted EBITDA earnings from operations	**Non-IFRS financial measurement**							
To net earnings (loss) before taxes add:								
Finance costs	11	23	19	3	5	1	4	26
Amortization of property and equipment	148	154	124	79	95	94	90	97
Amortization of intangible assets	87	87	87	88	106	106	106	121
Share-based compensation	16	19	12	17	16	16	11	9
Adjusted EBITDA[1]	**$ 398**	**$ 248**	**$ 255**	**$ (670)**	**$ (368)**	**$ (453)**	**$ (404)**	**$ (475)**

Adjusted EBITDA is a non-IFRS financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges.

Management believes that Adjusted EBITDA is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. We calculate Adjusted EBITDA by adding back to net earnings (loss) before taxes the finance costs, amortization expense, change in the fair value of contingent payments and stock-based compensation expenses. Adjusted EBITDA is also used by investors and analysts for the purpose of valuing an issuer. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted EBITDA should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA differently.

Quarterly Adjusted EBITDA and revenue ('000)



ACCOUNTING POLICIES

a) Basis of Presentation

The Company's interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2018.

This is the first fiscal year in which IFRS 16, Leases, has been applied. Changes to significant accounting policies are described later in this note.

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are the same as those applied in the Company's most recent annual consolidated financial statements. The only exception is the estimate used for the income tax provision. This provision is determined using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

a) Changes in Significant Accounting Policies

Other than IFRS 16, the same accounting policies are followed in the interim condensed consolidated financial statements as were followed in the most recent annual financial statements.

IFRS 16, Leases

The Company adopted IFRS 16, Leases ("IFRS 16") on January 1, 2019. IFRS 16 introduces a single lease accounting model for lessees which requires a right-of-use asset and lease liability to be recognized on the balance sheet for contracts that are, or contain, a lease.

The company adopted IFRS 16 using the modified retrospective approach, whereby the cumulative effect of initially applying the standard was recognized as an $837,385 increase to right-of-use assets (included in Property and equipment) with a corresponding capital lease obligation of $814,736 after removing prepaid rent of $22,649. At September 30, 2019 the current portion of the lease obligation is $234,147 (Q2 - $255,389, Q1 - 234,465) and the non-current portion is $396,231 (Q2 - $437,927, Q1 - $523,831). The right-of-use assets recognized were measured at amounts equal to the present value of the lease obligations. The weighted average incremental borrowing rate used to determine the lease obligation at adoption was approximately 4.5%. The right of use assets and lease obligations recognized relate to the Company's office leases in: Ottawa, Ontario, Canada; Laval, Quebec, Canada; and Fort Mill, South Carolina, USA.

b) Critical Accounting Estimates and judgments

The Company's consolidated financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the consolidated financial statements. Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

<u>Estimates</u>

Useful lives of depreciable assets

The useful lives of depreciable assets have been determined based on management estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Useful lives of intangible assets

The useful lives of intangible assets have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Warrants

In calculating the value of the warrants, key estimates such as the value of the common share, the expected life of the warrant, the volatility of the Company's stock price and the risk-free interest rate are used.

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated statement of financial position at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates.

<u>Judgments</u>

Control and significant influence assessment

The assessment of control and significant influence over an investment requires judgment

Assessing the stage of completion of revenue

The stage of completion of revenue is assessed by Management by taking into consideration all information available at the reporting date. In this process, management estimates for each project's milestones, actual work performed, the costs to complete the work and the value of the work completed. Further information on the Company's accounting policy for revenue recognition is provided in the consolidated financial statements Note 2.

Assessing the probability of utilizing deferred tax assets and investment tax credits

Deferred tax assets and investment tax credits are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Information about assumptions and estimation based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies, is included in the consolidated financial statements Note 24. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Impairment

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Functional currency

An area of judgment that has a significant effect on the amounts recognized in these consolidated financial statements is the determination of functional currency.

The determination of a subsidiary's functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

Measurement of lease obligations

The measurement of lease obligations is subject to management's judgment of the applicable incremental borrowing rate.

RISK FACTORS AND UNCERTAINTIES

The Company is focused on expanding its business internally as well as through strategic partnerships and acquisitions to achieve continued growth and profitability. Nevertheless, the Company's future results will depend on its ability to find financing and to continuously introduce new products and enhancements to its customers. There are other additional risks and uncertainties described below.

a) Lengthy and Complex Sales Cycle

Intouch sales efforts target large companies requiring Intouch to expend significant resources educating prospective customers about the uses and benefits of Intouch products. Because the purchase of Intouch's solution is a significant decision for these companies, prospective customers generally take a long time to evaluate the product. The sales cycle may range from four to six months for larger accounts, although these cycles can be longer due to significant delays over which Intouch has little or no control.

b) Increasing Competition

The markets in which Intouch operates and intends to operate are extremely competitive and can be significantly influenced by the marketing and pricing decisions of larger industry participants including large companies that have substantially greater market presence and financial, technical, operational, marketing and other resources and experience than Intouch.

c) Evolving Business Model

The Intouch business model continues to evolve. Intouch seeks to develop and promote new or complementary solutions and products to expand the breadth and depth of its service offerings. There can be no assurance that Intouch will be able to expand its operations in a cost-effective or timely manner or that any such efforts will create, maintain or increase overall market acceptance.

d) Need to Manage Growth

The growth of Intouch's business and its products and services cause significant demands on Intouch's managerial, operational and financial resources. Demands on Intouch's financial resources will grow rapidly with Intouch's expanding customer base. Additional working capital may be required and there are no assurances that access to the capital required for the future growth and expansion plans will be available.

e) Dependency on Key Personnel

Intouch's success will depend upon the continued service of its senior management team. Intouch employees may voluntarily terminate their employment with Intouch at any time. The loss of services of key personnel could have a material adverse effect upon Intouch's business, financial condition and results of operation.

f) Future Capital Needs

Intouch may need to raise funds through public or private financing in the event that Intouch incurs operating losses or requires substantial capital investment or in order for Intouch to respond to unanticipated competitive pressures or to take advantage of unanticipated opportunities. There can be no assurances that additional financing will be available on terms favourable to Intouch or at all.

g) Foreign Exchange Exposure

Intouch continues to seek expanding its operations into the US market. Fluctuations in the currency exchange rate may affect the revenue and operations of the company. The potential effect of the currency exchange rate fluctuations will be magnified as the percentage of sales to the US market grows.

h) Cybersecurity

Security breaches and other disruptions to our information technology networks and systems could interfere with our operations and could compromise the confidentiality of private customer data or our proprietary information. While we attempt to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective systems and having developed contingency plans, we remain potentially vulnerable to additional known or unknown threats. We collect and store sensitive data including intellectual property, proprietary business information as well as personally identifiable information of our customers and employees in data centers and on information technology networks. The secure operation of these networks and systems is critical to our business operations and strategy. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, theft, misplaced or lost data, programming errors, employee errors and/or misconduct that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, unauthorized access, use, disclosure, modification or destruction of information, production downtimes and operational disruptions. In addition, a cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, litigation or regulatory action.

SHARES

The share capital of the Company consists of an unlimited number of common shares, without par value. All shares are equally eligible to receive dividends, the repayment of capital and represent one vote at the shareholders' meetings.

During the quarter ended September 30, 2019, the Company issued 15,000 common shares through the exercise of stock options for gross proceeds of $3,300. Year-to-date 2019, the Company issued 310,000 common shares through the exercise of stock options for gross proceeds of $79,100.

At September 30, 2019, there were 22,456,811 common shares outstanding and as of the date of this Management Discussion and Analysis, there were 22,461,811 common shares outstanding.

RELATED PARTY TRANSACTIONS

During Q3 2019, the Company expensed $18,750 (YTD 2019 – $76,250 $) as compensation to non-management directors within general and administrative expenses in the statement of operations. The expense for Q3 2018 was $28,750 and YTD 2018 was $86,250.

The above related party transactions are measured at their exchange amount, which is the amount agreed to by the parties.

ADDITIONAL INFORMATION

Additional information about the Company such as the 2018 audited consolidated financial statements can be found on SEDAR at www.sedar.com.